



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Our Ref: B1/15C  
G16/1C

20 April 2020

The Chief Executive  
All Authorized Institutions

Dear Sir / Madam,

**Circular to issuers of SFC-authorized paper gold schemes**

I am writing to draw your attention to a circular issued by the Securities and Futures Commission (“SFC”) to issuers of SFC-authorized paper gold schemes (“PGS Issuers”) today.

In view of the recent market volatility caused by the COVID-19 outbreak, authorized institutions (“AIs”) are reminded to comply with the above-mentioned SFC circular to PGS Issuers, the Code of Banking Practice and the Treat Customers Fairly Charter in their provision of paper gold scheme (“PGS”) services to customers.

In particular, AIs, in the provision of PGS services, are reminded to:

- (i) treat customers honestly and fairly;
- (ii) take into account customers’ interest and be responsible for upholding financial consumer protection;
- (iii) provide appropriate information at all stages of the relationship with the customers (including any untoward circumstances relating to PGS services and corresponding impact on customers); and
- (iv) rectify any operational incident having significant impact on continued provision of PGS services.

AIs who are PGS Issuers are reminded to immediately report to the Hong Kong Monetary Authority, in addition to reporting to the SFC, any untoward circumstances relating to PGS services that may have material customer impacts, including any decision to suspend subscription and/or redemption, and uplift suspension / resume dealing.

Should you have any questions on this circular, please contact Ms Phielle Lau at 2878-1750 or Ms Anita Chan at 2878-1538.

Yours faithfully,

Alan Au  
Executive Director (Banking Conduct)

c.c. SFC (Ms Christina Choi, Executive Director (Investment Products))